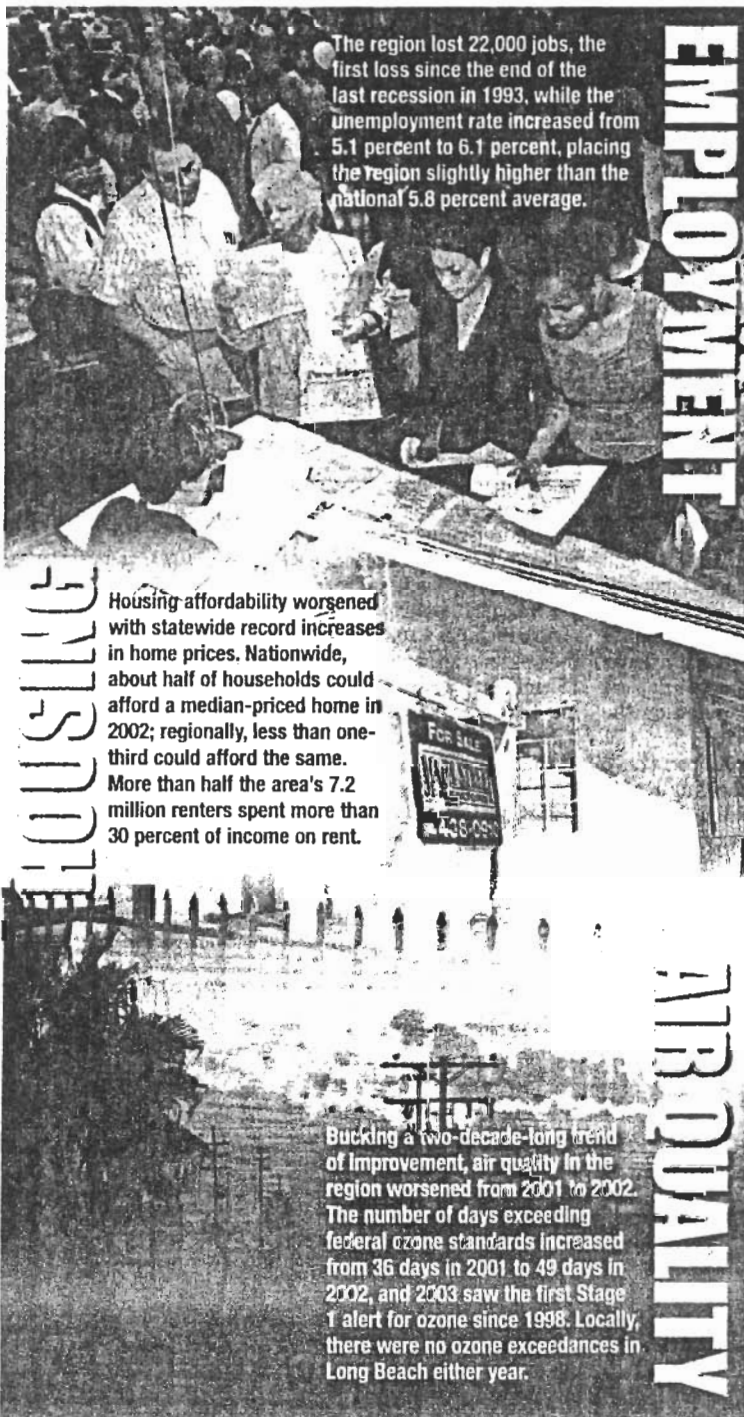


# Paradise lost?

## Report details deteriorating quality of SoCal life



The region lost 22,000 jobs, the first loss since the end of the last recession in 1993, while the unemployment rate increased from 5.1 percent to 6.1 percent, placing the region slightly higher than the national 5.8 percent average.

**EMPLOYMENT**

Housing affordability worsened with statewide record increases in home prices. Nationwide, about half of households could afford a median-priced home in 2002; regionally, less than one-third could afford the same. More than half the area's 7.2 million renters spent more than 30 percent of income on rent.

**HOUSING**

Bucking a two-decade-long trend of improvement, air quality in the region worsened from 2001 to 2002. The number of days exceeding federal ozone standards increased from 36 days in 2001 to 49 days in 2002, and 2003 saw the first Stage 1 alert for ozone since 1998. Locally, there were no ozone exceedances in Long Beach either year.

**AIR QUALITY**

By Kerry Cavanaugh  
and Don Jergler  
Staff writers

The quality of life across the six-county Southern California region has slipped, with smog, traffic, job opportunities and income levels getting worse and housing and education just barely passing, a report released Thursday says.

The annual report card from the Southern California Association of Governments saw no improvement in any of the seven areas it graded based on data for 2002.

And SCAG warned there was little hope for an early improvement with traffic, education, air quality and even public safety likely to suffer because of the state's financial crisis and harsh cuts expected in public spending. Transportation funding also is on the chopping block in Sacramento, and the SCAG region faces a \$4.3 billion shortfall for road and transit projects.

Local officials acknowledged the picture the grades painted was grim, but said it could brighten in the future as an improving economy generates more jobs and raises income.

"Probably the report next year will be somewhat comparable, if not maybe even a little bit worse, than this year's. Then we'll start to see it get better just as we start to see the economy getting better," said Bev Perry, the president of SCAG and a Brea City Council member.

The report said the national recession helped drag down employment and income grades, already horrendous traffic congestion just got worse, and an increase in the number of smoggy days caused air quality to slip from a B-minus to a C.

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# SCAG: Improving economy is needed

CONTINUED FROM A1

congestion translates to even more air pollution for residents. Even worse, the SCAG region — Los Angeles, Ventura, San Bernardino, Riverside, Orange and Imperial counties — could lose an additional \$8 billion in federal transportation funding if it fails to meet clean air goals.

Said Perry: "People are going to be faced with a choice of, 'Are we willing to step up and pay for some of the things that need to be done to improve our quality of life?'"

The report said the poor grades for 2002 also reflect broader problems in Southern California: the loss of middle-class jobs, a population fast outgrowing the region's infrastructure, and poor educational resources to help low-wage earners and their children climb the economic ladder.

Southern California added 33,000 residents in 2002, a boom that continued from 2001, when the region's population grew at a rate not seen since 1950. Homegrown births accounted for half of the new residents, and foreign immigrants accounted for 41 per-

cent of the increase.

The region saw unemployment numbers rise, a net loss of 22,000 jobs and per capita personal income decline. One in five children in the region lives in poverty.

Yet Southern California still weathered the national downturn better than most of the state.

Manufacturers, Internet businesses, publishers and the film industry were hardest hit. On the rise were retail, real estate-related businesses and government jobs, thanks to new teacher spots.

Jack Kyser, chief economist with the Los Angeles County Economic Development Corp., said the region is beginning to create new good-paying jobs, particularly in the aerospace industry that has gotten new government contracts.

But regional leaders need to focus on creating middle class jobs.

"When anyone thinks of economic development in Southern California, it's always couched in retail," Kyser said. "Too many leaders think all the manufacturers have gone away or say we can't compete with China."

To house the booming population, builders pulled permits for

68,000 new units, the largest increase since 1990. Low mortgage rates have fueled home sales but also pushed up the sticker price.

The American dream of homeownership became more elusive in 2002 with 69 percent of households in L.A. County unable to afford a median-priced home of \$300,000. In Orange County only 22 percent of households can afford a median-priced home.

Areas of Long Beach saw some of the nation's biggest percentage increases in home prices.

"Housing affordability is really a big issue," said Joe Magaddino, chair of the economics department for Cal State Long Beach.

Magaddino, who compiles his own report on the city's economic outlook, has identified a need for an additional 33,000 housing units in Long Beach by 2015.

By city estimates, 23 percent of Long Beach residents live in poverty — half are children — and 43 percent of renters pay more than 35 percent of their income for rent (28 percent pay more than half).

Among the nation's nine major metro areas, Southern California has the highest percentage of

households spending more than 30 percent of their income on housing, the SCAG report shows.

Much of the housing crisis can be attributed to the downturn of the early 1990s, when a recession caused massive job loss, mostly in aerospace and military sectors.

In that decade, Long Beach added a scant .7 percent to its housing stock, and saw many high paying jobs disappear, only to be replaced by lower wage jobs.

"We went through this gut-wrenching recession that was every bit as challenging for this region as the Great Depression," Magaddino said. "We lost a lot of high paying jobs, we saw a lot of out-migration."

Southern California's air quality grade took a drop in 2002, due in large part to an increase in smoggy days. There were 49 days in summer 2002 that exceeded the national health standard for ozone, the key ingredient in smog. There were 36 such days in 2001.

But the 2003 grade will likely be worse because there were 63 days over the national health standard.

The report points out that Southern Californians are driving

more trucks and SUVs.

South Coast Air Quality Management District officials say stagnant weather is partly to blame but the region must do more to cut vehicle pollution, which makes up 75 percent of the ozone problem.

Southern California's education grade remains low and SCAG officials took heart that schools didn't get worse. Eighth-graders in all counties except Orange and Ventura perform below the national median in reading and math. In all counties, less than 40 percent of high school students take the courses need to enter the University of California and Cal State systems, major stepping stones to improving their quality of life.

The public safety grade also stayed the same, although the violent crime rate dropped 3 percent from 2001.

"I was thinking when I looked at the grades that if the Southern California region was a state, we'd probably recall the governor," quipped Riverside Mayor Ronald Loveridge.

Staff writer Eric Johnson contributed to this report.